

DECISION



Sept 11 1978

**THE COMPTROLLER GENERAL
OF THE UNITED STATES
WASHINGTON, D.C. 20548**

75-94

FILE: B-192608

DATE: September 11, 1978

MATTER OF: Rand Information Systems

DIGEST:

1. Agency determination to provide services in-house rather than to contract for such services is matter of Executive policy for consideration under OMB Circular A-76, and is not within decision function of General Accounting Office.
2. Claim for proposal preparation costs is denied where it was not shown that at the time agency solicited offers, it had the intention of disregarding them and performing the work in-house.

Rand Information Systems (Rand) protests the decision of the Department of Agriculture to cancel solicitation No. 00-77-R-44 for software conversion work.

Rand advises that after it had submitted its best and final offer it received an amendment to the solicitation which stated:

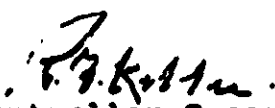
"Based on recent cost analysis it has been determined that it would be in the best interests of the Government to accomplish the conversion requirements of this RFP in-house. Accordingly, the above referenced RFP is cancelled in its entirety."

Rand contends that the agency does not have an adequate in-house staff to accomplish the conversion and that therefore there could be no valid cost analysis which would show it to be most advantageous to do the work in-house.

The essence of Rand's protest is that the Department of Agriculture did not have an adequate basis upon which to decide to perform the work in-house. Executive Branch policy with respect to the subject of contracting for services or performing such services with Government employees is provided in Office of Management and Budget Circular A-76. Although that Circular expresses a general preference for contracting with commercial enterprises, we have always regarded the provisions of the Circular as matters of Executive policy which are not within the decision functions of the General Accounting Office. General Telephone Company of California, B-189430, July 6, 1978, 78-2 CPD__.

Therefore, the protest is dismissed.

Rand also requests that it be awarded proposal preparation costs in the event the solicitation is not reinstated. However, we are aware of no instance in which proposal preparation costs have been awarded when subsequent to the solicitation of offers it was determined to be more advantageous to do the work in-house. There is no indication in Rand's protest that the Department of Agriculture issued its solicitation with the intent of disregarding the proposals received. For this reason, Rand's claim for proposal preparation costs is denied.


Deputy Comptroller General
of the United States